

FISCAL NOTE

HB 1359 - SB 1636

March 9, 2001

SUMMARY OF BILL:

1. Revises qualifications for nonresident insurance agents who apply for a nonresident insurance agent license. Such revisions change current law to mirror the provisions of the National Association of Insurance Commissioner's model act.
2. Includes depository institutions and their affiliates as moneylenders and subjects various restrictions on such activities. A person who lends money or extends credit would be prohibited from:
 - using any advertisement or other promotional material that would cause a reasonable person to mistakenly believe that the federal government or a state is responsible for, endorses, or guarantees any insurance obligation of or sold by the lender of money or extender of credit.
 - completing both a credit and an insurance transaction with the same document.
 - including in the primary credit transaction the expense of the insurance premiums without the express written consent of the customer.
3. Such persons who lend money or extend credit and who solicit insurance would be required to disclose certain information to a customer in writing.
4. A violation of the provisions of this bill is punishable through civil penalties as provided by TCA 56-8-112.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - Not Significant

Increase State Expenditures - Not Significant

Estimate assumes that:

- any increase in state revenues from the levying and collection of civil penalties for violations of the provisions of this bill will not be significant.
- any increase in expenditures associated with the investigation of violations of the provisions of this bill will not be significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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